

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2003-48

**Reservation Junction to Freighthouse Square Construction Contract with Stacy and
Witbeck, Inc.**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	5/1/03	Discussion/Possible Action to Recommend Board Approval	Martin Minkoff, Sounder Commuter Rail Director	(206) 398-5111
Board	5/8/03	Action	Eric Kosty, Senior Project Manager	(206) 398-5123

Objective of Action

To approve a contract with Stacy and Witbeck, Inc. to provide construction services for the Reservation Junction to Freighthouse Square track improvements.

Action

Authorize the Executive Director to execute a contract with Stacy and Witbeck, Inc. to provide construction services for the Reservation Junction to Freighthouse Square track improvements in the amount of \$7,386,681 with a contingency of \$738,668, for a total authorized contract amount not to exceed \$8,125,349, and approving schedule incentives of \$10,000 per day, not to exceed \$100,000, to be awarded by change order as prescribed in the Request for Proposal.

KEY FEATURES

- Authorizes the Executive Director to execute a contract with Stacy and Witbeck, Inc. to provide construction services for the Reservation Junction to Freighthouse Square track improvements in the amount of \$7,386,681, with a contingency of \$738,668, for a total authorized contract amount not to exceed \$8,125,349, plus approval of a potential \$100,000 schedule incentive as described below.
- Construction will include a track connection between the Burlington Northern Santa Fe (BNSF) Railway and the Tacoma Eastern Mountain Division (TR) Railway at Reservation Junction, new railroad bridge over Portland Avenue, storage tracks, loading track at the permanent Tacoma Dome Sounder Station, and repair and upgrade of existing track and timber trestle.
- This RFP was issued with a schedule incentive/disincentive provision. A value of \$10,000 per day was prescribed in the Request for Proposals. The incentive is \$10,000 a day for a maximum of 10 days. If the contractor does not achieve the schedule presented in their proposal, a disincentive of \$10,000 per day will be charged back to the contractor with no maximum. Stacy and Witbeck, Inc. anticipates completing this contract in 104 days. The \$100,000 maximum incentive is included in this motion, however, it will not be reflected in

the contract award. A change order will be issued for any part of the incentive earned by the contractor.

BUDGET DISCUSSION

The total Adopted 2003 Budget of \$484 million represents the combined construction phase of two projects: Seattle-to-Auburn Track and Signals (110) and Auburn-to-Tacoma Dome Track and Signals (120). The activities considered within this motion are split 55/45% between the construction phases of these two projects. These project budgets contain sufficient funds for this effort and committing these funds does not endanger any other project elements that are to be funded out of the overall project budget.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

The proposed action is consistent with the current Board-adopted budget and is affordable within the agency's current long-term financial plan and subarea financial capacity. The action will have no new revenue impacts on Sound Transit.

SUMMARY FOR BOARD ACTION

M/W/DBE – Small Business Participation

Stacy and Witbeck, Inc. is the prime contractor on this contract. Stacy and Witbeck, Inc. has committed to 20.37% M/W/DBE and Small Business. Stacy and Witbeck, Inc. has also agreed to continue to review M/W/DBE and Small Business opportunities throughout the life of the contract. The sub-consultants are as follows:

M/W/DBE

Sub-Consultant Small Business Participation Type of Work Dollar Amount

Baseline SBE Survey \$ 25,760.00
Budiman DBE Traffic Control \$ 34,828.00
Kodo Construction MDBE Flatwork Concrete \$ 18,890.00
Grade-It WDBE Hydroseed \$7,823.00
Peterson Brothers WBE Guardrail \$ 6,127.00
NorPac WDBE Rock Products/Trucking \$803,749.00
Calloway Ross SBE Tressle Repair \$778,650.00
Amaya MDBE Electrical \$ 50,850.00
Pioneer Waterproofing SBE Waterproofing \$ 40,800.00
Owl Fence SBE Fence \$ 21,968.00

EEO Commitment:

The Stacy and Witbeck, Inc. team includes 30% women and 30% minorities. Approximately 48% of Stacy and Witbeck, Inc.'s employees are minorities, women, or persons with disabilities.

Apprentice Utilization Commitment:

Stacy and Witbeck, Inc. is committed to hiring apprentices for 20% of all labor hours.

History of Project

In order to provide commuter rail service to the permanent Tacoma Dome Station, track construction and improvements must occur to connect the BNSF tracks and the TR tracks at Reservation Junction. Design and construction of improvements within the TR right-of-way between Reservation Junction and the Tacoma Dome Station are the responsibility of Sound Transit. The improvements necessary for Sounder to serve the Tacoma Dome Station were negotiated under the amended "License Agreement between the City of Tacoma and the Central Puget Sound Regional Transit Authority," which was approved by the Sound Transit Board on April 25, 2002.

The procurement method used for this contract was an RFP using the A + B method to determine the best value to Sound Transit. This procurement method allowed Sound Transit to address the construction schedule and contractor competency, in addition to cost, which are imperative to successful completion, due to the unique nature of the work.

Due to the tight schedule for this project, the construction contractor was procured utilizing a Request for Proposal which included a cost plus schedule evaluation component. The cost plus schedule component required proposers to develop a work plan and construction schedule and commit to the number of days for completion. This procurement method also allows Sound

Transit to pay an incentive for each day the construction contractor completes the work prior to the schedule included in their proposal.

Sound Transit's proposal evaluation criteria and selection procedures were designed to allow a comprehensive evaluation of the proposed Project Team, work approach, quality assurance, and safety culture. These elements, combined with the Total Evaluated Cost (A) and Schedule (B) Proposal, result in the selection of the Contractor that represents the best value to Sound Transit.

An RFP was advertised on February 24, 2003. Five proposals were received on March 25, 2003.

Two selection teams independently participated in the evaluation. The technical evaluation team reviewed proposals based on selection criteria including experience of the firm, experience of project manager and other key individuals, work plan and diversity, DBE outreach and EEO. The financial evaluation team reviewed the cost proposal, cost-loaded schedule, and financial health of the proposers.

After all proposals were evaluated, the top two ranked firms were interviewed. Negotiations were held with Stacy and Witbeck, Inc., the top-ranked firm, to reach a fair and reasonable contract price representing the best value. These negotiations are summarized in the attached Price Negotiation Summary Sheet, dated April 18, 2003.

The final negotiated price for the work of CR 165-02 is \$7,386,681, which is 15% higher than the engineer's estimate.

All proposals received were higher than the Engineer's estimate of \$6,401,052. Stacy and Witbeck, Inc.'s original proposal (\$7,998,156) was 25% higher than the engineer's estimate and the average of all the proposals received (\$7,506,690) was 17% higher than the Engineer's estimate.

After a review of pricing received from all the proposals, it was determined that the low engineer's estimate occurred in four major areas. The first area was mobilization. All the proposers used a range for mobilization that was two to three times the values assigned in the engineer's estimate. These high values reflected the very short schedule and a work plan that initiates work in five work areas at the generally the same time. The second and third areas involved installation of underground drains and steel bridge work and reflected proposers concern for unknown site conditions and work methods. These differences were addressed in subsequent negotiations. The fourth area involved work on the timber trestle. The parties were unable to rationalize the price differences and, in subsequent negotiations, the timber trestle work was changed from unit prices to a provisional sum that will be paid under a time and material basis to reduce the risk to either party.

In negotiations with Stacy and Witbeck, Inc. some of the apparent discrepancies were clarified, and Stacy and Witbeck, Inc. reduced their price to \$7,386,681. The Engineer's estimate is now 15% below Stacy and Witbeck, Inc.'s proposal and 15% below the average of all the proposals.

CONSEQUENCES OF DELAY

The contract timeline was designed in order to have this work substantially complete by September 1, 2003 for the grand opening of the completed Tacoma Dome Station. Completion

by September 1st also allows time for testing of the new track prior to the expiration of the Interim Operating Agreement with BNSF for the Tacoma to Seattle corridor, which expires September 15, 2003. In order to meet these deadlines, a notice to proceed is needed in early May.

Regional Partnership and Cooperation

The City of Tacoma is actively involved in the design and review of construction documents. The manager of the City of Tacoma Engineering Department was a member of the technical evaluation team and participated in the selection of the construction contractor.

Public Involvement

Information regarding the project has been forwarded to property owners affected by the permanent closure of Bay Street near Portland Avenue. Property owners will be kept informed of construction activities through bi-weekly construction updates that are distributed throughout the community and available on the Sound Transit website.

Prior Board/Commtee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2002-40	Authorized the Executive Director to execute an amendment to the Commuter Rail Agreement between Sound Transit and the City of Tacoma for the upgrade, construction, and joint use of the rail facilities located on the City of Tacoma’s rail right of way for purposes of providing Sounder Commuter Rail service to the Tacoma Dome Station.	4/25/02
M2000-122	Authorized the Executive Director to execute an agreement with the City of Tacoma for construction and operation of commuter rail facilities located in the Tacoma Rail right-of-way.	12/14/00

Legal Review

Eric Kosty will serve as Senior Project Manager under the Engineering and Operations Consultant contract with E I Kosty and Associate Ltd.

MB 04/15/03

SOUND TRANSIT

MOTION NO. M2003-48

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a contract with Stacy and Witbeck, Inc. to provide construction services for the Reservation Junction to Freighthouse Square track improvements in the amount of \$7,386,681 with a contingency of \$738,668, for a total authorized contract amount not to exceed \$8,125,349, and approving schedule incentives of \$10,000 per day, not to exceed \$100,000, to be awarded by change order as prescribed in the Request for Proposal.

Background:

In order to provide commuter rail service to the permanent Tacoma Dome Station, track construction and improvements must occur to connect the BNSF tracks and the Tacoma Rail tracks at Reservation Junction. Design and construction of improvements within the TR right-of-way between Reservation Junction and Tacoma Dome Station are the responsibility of Sound Transit. The improvements necessary for Sounder to serve the Tacoma Dome Station were negotiated under the amended "License Agreement between the City of Tacoma and the Central Puget Sound Regional Transit Authority," which was approved by the Sound Transit Board on April 25, 2002.

The procurement method used for this contract was an RFP using the A + B method to determine the best value to Sound Transit. This procurement method allowed Sound Transit to address the construction schedule and contractor competency, in addition to cost, which are imperative to successful completion, due to the unique nature of the work.

Due to the tight schedule for this project, the construction contractor was procured utilizing a Request for Proposal which included a cost plus schedule evaluation component. The cost plus schedule component required proposers to develop a work plan and construction schedule and commit to the number of days for completion. This procurement method also allows Sound Transit to pay an incentive for each day the construction contractor completes the work prior to the schedule included in their proposal.

Sound Transit's proposal evaluation criteria and selection procedures were designed to allow a comprehensive evaluation of the proposed Project Team, work approach, quality assurance and safety culture. These elements, combined with the Total Evaluated Cost (A) and Schedule (B) Proposal, will result in the selection of the Contractor that represents the best value to Sound Transit.

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Two selection teams independently participated in the evaluation. The technical evaluation team reviewed proposals based on selection criteria including experience of the firm, experience of project manager and other key individuals, work plan and diversity, DBE outreach and EEO. The financial evaluation team reviewed the cost proposal, cost-loaded schedule and financial health of the proposers.

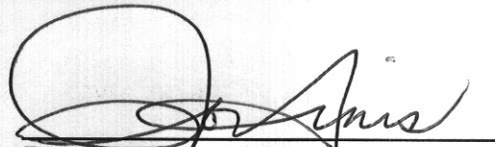
After all proposals were evaluated, the top two ranked firms were interviewed. Negotiations were held with Stacy and Witbeck, Inc., the top-ranked firm, to reach a fair and reasonable contract price representing the best value.

The final negotiated price for the work of CR 165-02 is \$7,386,681, which is 15% higher than the engineer's estimate.

Motion:

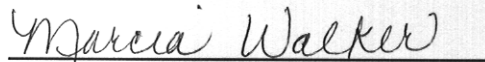
It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Executive Director to authorized to execute a contract with Stacy and Witbeck, Inc. to provide construction services for the Reservation Junction to Freighthouse Square track improvements in the amount of \$7,386,681 with a contingency of \$738,668, for a total authorized contract amount not to exceed \$8,125,349, and approving schedule incentives of \$10,000 per day, not to exceed \$100,000, to be awarded by change order as prescribed in the Request for Proposal.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 8, 2003.



Ron Sims
Board Chair

ATTEST:



Marcia Walker
Board Administrator